

# The Kennedy administration and economic warfare against communism

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Trying to establish what the policy of an American administration is on a particular matter is not always easy. Especially in foreign policy, there are often a large number of departments and agencies involved, with overlapping authority and conflicting policies, which can obfuscate things both for the public and for historians. Policies can get locked into the bureaucratic system and continue long after the espousal of a different policy by the executive. Congressional laws governing foreign policy may originally be passed with ready approval from the White House, but then subsequently prove difficult to alter when changes of political disposition in the executive run ahead of changes in Congress (or vice versa). In addition to these complexities the United States, like other countries, has foreign obligations and a need to cooperate with allies, which further complicate its foreign affairs.

This article sketches the growth of America's embargo policy and indicates the direction in which it was heading when Kennedy came to power so that we can assess the political, legal and bureaucratic problems with which he had to contend in attempting to change America's trade relations with communist states. It then proceeds to explain his administration's views about embargo policy and how they developed from 1961 to 1963. In recounting this story special reference will be made to Anglo-American relations, which cast considerable light on the operation of American policy; and we shall also consider political developments which affected what Kennedy did and what he could do regarding America's strategic embargo. The article ends with some general remarks about Kennedy as president.

## US policy under Truman and Eisenhower

Traditionally, economic warfare has meant two things. It could describe an ancillary strategy during wartime of economic blockade to deny an opponent materials and food supplies, or it could mean aggressive economic competition in peacetime in order to achieve dominance in a particular market. In the aftermath of the Second World War it acquired a third and more sinister meaning. With the development of both extreme ideological antagonism between the communist bloc and the West and weapons that could wreak immediate mass destruction, the United States thought that it would be prudent to embargo the export of materials to the Soviet bloc which might improve her military capability.

The idea of a peacetime strategic embargo developed during the onset of the Cold War. At first the United States used controls from the Second World War, but then in

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1949 the Export Control Act was passed, which provided new legislative powers enabling the US Department of Commerce to grant or withhold export licences for designated items (this act remained in force until 1969).<sup>1</sup>

Simultaneously with developing its own machinery for a strategic embargo, the United States used its power of granting or denying aid to its allies to encourage them to do likewise. As a result, during negotiations about Marshall Aid for the reconstruction of Western Europe, there emerged an informal ministerial Consultative Group with an executive body known as the Coordinating Committee (COCOM), which was given the job of drawing up a list of items that the Western countries would agree not to export to the communist bloc. COCOM also compiled a list of exports that were to be quantitatively controlled and another of goods to be kept under surveillance. In 1952 COCOM was supplemented by the CHINCOM, or China Committee, whose brief was to monitor exports to the People's Republic of China. Membership of COCOM eventually consisted of the NATO allies (except for Iceland) and Japan.<sup>2</sup>

American economic pressure was by no means the only thing that impelled the Europeans towards establishing their own strategic embargoes and forming COCOM. The British in particular feared the Soviet Union and wanted to embargo strategic exports to it; however, they did not wish to embargo as many items as the Americans and neither did the continental West European countries. There thus developed two sets of embargo and control lists: COCOM's agreed upon by all its members, and America's own national list, which was always more extensive.<sup>3</sup> The lengthier US list was partly a symptom and partly a cause of serious differences between the United States and her European allies. Concentrating on Britain in order to illustrate these differences, we can see some clearly contrasting perspectives, needs and policies.

The marginal benefit for the United States (which was economically largely self-sufficient) of trade with the Soviet bloc was less than it was for Britain. Especially in the late 1940s and early 1950s Britain was desperate to gain new export markets and non-dollar sources of food and raw materials, all of which could be had in some measure from the Soviet bloc. However, this potential conduit for trade was constricted (many in the British government thought too tightly) because of US policy and its influence in COCOM. There were some in the Truman administration who favoured a more liberal policy; for example Under-Secretary of State Robert Lovett drily observed in a National Security Council (NSC) meeting that it was more important to get manganese from the Soviet Union than to prevent them getting baby bottles from the West, but such voices of moderation as this were overruled by a combination of factors. They included the strong advocacy of a tight and extensive embargo by both the US defence establishment and the Department of Commerce, and the growing ideological antagonism toward the Soviet bloc. The 'loss of China' to the communists, the Korean War, conservatism in Congress and McCarthyism all

1. See *Foreign relations of the United States* (henceforth *FRUS*), 1948, Vol. 4 (Washington, DC: US Government Printing Office, 1974), pp. 489–528.

2. See G. Adler-Karlsson, *Western economic warfare 1947–1967* (Stockholm: Almqvist & Wiksell, 1968); A. S. Milward, *The reconstruction of Western Europe 1945–51* (London: Methuen, 1984), pp. 121–2; and for some of Britain's initial reactions, *FO 371/77794* (London: Public Record Office). References to Foreign Office (FO) and Cabinet (CAB) papers are to documents in the PRO.

3. See *FO 371/77799*, UR 6499/45/98, UK delegation OEEC to FO, 24 June 1949; and *FRUS*, 1952–4, Vol. 1, pp. 831–2, for the American and the international or COCOM lists.

contributed to the development of an increasingly hard line on the strategic embargo in the United States.<sup>4</sup>

During 1951 'strategic embargo' became a transparently inappropriate euphemism. In April Truman approved NSC paper 104/2, which embodied an embargo policy that aimed not only at denying the Soviet bloc strategic materials, but also at retarding her economic growth: this was economic warfare. And later in the year Congress passed the Mutual Defence Assistance Control Act, popularly known as the Battle Act, which required the President to terminate aid to countries that exported goods to communist states of a kind embargoed by the United States.<sup>5</sup>

In contrast Britain was ideologically less inclined to wage economic warfare. Although the outbreak of hostilities in Korea convinced it of the need for tighter controls, her investments in China, the vulnerability of both Malaya and Hong Kong and their commercial and trade interests made it refuse to go as far with the embargo policy as the United States. The Foreign Office and the Ministry of Defence favoured keeping in line with the United States as much as possible, but British public and parliamentary opinion in general favoured relaxing export controls, as did successive prime ministers, the Treasury and the Board of Trade.<sup>6</sup> Rather surprisingly, the latter's American counterpart—the Department of Commerce—particularly under Charles Sawyer and his successor Sinclair Weeks (whom Eisenhower described as being so conservative that he was illogical at times), was in the vanguard of those calling for strict controls.<sup>7</sup> Sawyer and Weeks also wanted a uniform policy throughout the West in order to prevent the United States from suffering trade discrimination because of allies entering communist markets prohibited to American companies by tighter US export restrictions.

The differences between Britain and America concerning the embargo policy led to considerable friction and resentment: the Americans thought that the British were sacrificing important tactical ground in the war against communism for the sake of short-term economic benefits, whereas the British thought that the Americans were interfering too much in their economic sovereignty and that they were defining 'strategic' too broadly for embargo purposes. Throughout the 1950s the arguments between the United States and Britain (which was generally representative of the mood among the rest of COCOM) continued. In the high echelons of the US administration only President Eisenhower strongly favoured a major relaxation of the strategic embargo. In one of his first NSC meetings, referring to East–West trade policy, he said that '... they [the United States] were alienating allies and retarding the growth of the European standard of living which was too damn low'. However, Eisenhower believed in collective responsibility and would not force through a major relaxation of controls in the face of the united opposition of his Cabinet and advisers, so at first only minor modifications were made to the policy of the previous administration.<sup>8</sup>

4. See Truman Library, PSF, box 220, folder: NSC meetings, 4 June 1948.

5. See *FRUS*, 1951, Vol. 1, pp. 1000–1005, Sawyer memo to NSC, 17 Jan. 1951; *FRUS*, 1951, Vol. 1, pp. 1025–6, Acheson to Truman 10 Feb. 1951; *FRUS*, 1951, Vol. 1, pp. 1051–2, NSC 84th meeting 21 Feb. 1951, 88th meeting 11 April and presidential approval of NSC 104/2 on 12 April 1951.

6. See *CAB 128*, 57 (50) 4, 11 Sept. 1950; *CAB 128/26*, 60 (53) 5, 22 Oct. 1953; *CAB 128/26*, 67 (53) 6, 7 Nov. 1953; *CAB 129/64 C* (53) 319, 14 Nov. 1953; and *FO 371/106008*, M 3424/129, Coulson to Scott, 23 Nov. 1953.

7. See *FRUS*, 1952–4, Vol. I, pp. 1219–20; and R. H. Ferrell, *The Eisenhower diaries* (New York: W. W. Norton, 1981), entry 7 Feb. 1953.

8. See Eisenhower Library, Ann Whitman File, NSC 137, 18 March 1953; and *FRUS*, 1952–4, Vol. I, pp. 1009–15.

It was left largely to the governments of Churchill, Eden and Macmillan, with support from the European members of COCOM, to press for the changes that were made in the embargo lists in 1954, 1955, 1957 and 1958. On every occasion the Americans tried to resist pressure for change, and when they failed they then tried to limit liberalization. In 1957 the British unilaterally reduced the amount of controls on trade with China and began to treat it in the same way as they did the Soviet bloc (since the Korean War controls on trade with China had been tighter). All other members of COCOM except the United States followed suit. This split in COCOM caused much ill feeling and emphasized the commercial disadvantage to the United States of applying more controls than its allies: their increase of trade with China did not go unnoticed by Americans.<sup>9</sup> (China does not feature extensively in this article because Kennedy, recognizing what a sensitive issue it was for his countrymen, decided not to change export policy towards it.)

### Kennedy's accession

The net result of all this by the time Kennedy entered the White House in January 1961 was a very complex situation. The United States had moved, albeit begrudgingly, towards a more liberal embargo policy, but still favoured having more restrictions than did the Europeans and Japanese. America's relations with its allies concerning the strategic embargo were very strained. The virtual end of American aid to Britain and Western Europe, because of their economic recovery, meant that the United States had less leverage to make its allies conform to an embargo policy of its choice; but it was no less eager to try. Nevertheless, trade between Western Europe and the Soviet bloc increased and American corporations suffered from the kind of discrimination long feared by successive American Secretaries of Commerce.

The Kennedy administration, despite the continuing Cold War rhetoric, wished to adopt a more flexible embargo policy. This was partly because of political convictions, partly because of tactical reasons concerning the implementation of American diplomacy *vis-à-vis* the Soviet Union, and partly for some specific economic reasons, which became of urgent concern in the early 1960s. However, much had to be done to change the existing pattern of American policy. Among other things there were various legal restraints that had grown up over the years and in order to alter them the administration would have to deal with Congress, which still remained conservative and in favour of a strict embargo.

Kennedy came to power promising action: the West, led by the United States, would regain the initiative supposedly lost during Eisenhower's terms of office. The youthful courage of the new Democratic administration would not shrink from protecting liberty and opposing the foes of democracy no matter what the cost. The Kennedy administration prided itself on its flexibility and willingness to approach problems pragmatically in order to achieve solutions with positive pay-offs. Unfortunately this rationalist approach did not give enough attention to the complexity of the existing institutional and legal framework, to the sensibilities and needs of friendly

9. See Eisenhower Library, Ann Whitman File, International Series, box 3, folder: Bermuda Conference 20-4 March 1957 (1) State Department Summary Briefing Paper, undated; Eisenhower Library, Ann Whitman File, International Series, box 20, folder: Macmillan, Harold (5), Eisenhower to Macmillan, 17 May 1957; H. Macmillan, *Riding the storm 1956-59* (London: Macmillan, 1971), pp. 317-18; and Adler-Karlsson, *Western economic warfare*, pp. 94-5.

governments, or to the recalcitrance of men imbued with different ideals, who followed a less rationalist political *modus operandi*.<sup>10</sup>

Kennedy's natural disposition was to be a moderate liberal, but the political realities of 1961 severely restricted his scope for action. His victory over the Republican Richard Nixon was by such a narrow margin that he was unable to claim that he had a clear mandate from the people. In Congress the Democrats retained control in both houses, but the conservative coalition of southern Democrats and the majority of Republicans ensured that any liberal proposals from the White House would have a difficult time. During the election Kennedy, who was a Roman Catholic, had been careful to reassure conservative Protestant Democrats, particularly in the south. In order to attack the Republicans he had adopted a stance on defence that appealed to conservatives, accusing the opposition of allowing a missile gap to open between the United States and the Soviet Union (it later transpired that there was one, but it favoured the United States). Finally, once in power Kennedy felt that he ought to engage the support of important sections of the establishment power structure, not least the conservative Cold War grandees of his own party. It was partly as a result of this (and partly because Kennedy wanted an administration of talent irrespective of the political affiliations of its members) that many of his most important appointments to high office were conservatives: for example Secretary of the Treasury Douglas Dillon had served in the State Department under Eisenhower, McGeorge Bundy, the National Security Adviser, was a Republican, and John McCone, Director of the CIA, was a very conservative Californian.<sup>11</sup>

To sum up, Kennedy's freedom of action was circumscribed, first by lack of authority because of his narrow victory over Nixon, secondly by the conservative coalition in Congress, thirdly by political overtures and commitments he had made to conservative elements of the electorate and, fourthly, by the conservatism of many of the people he had appointed to cabinet and White House posts.

### The attempt to liberalize

Nevertheless, his first impulse regarding the strategic embargo was to try to gain more scope for manoeuvre in order to liberalize its operation. Within the general context of the embargo policy, there were two specific problems that Kennedy would have to overcome if he were to get his own way. First, he had to get legislation repealed, or at least modified, such as the Johnson Act (1934) and the Battle Act (1951) which prohibited credit arrangements for trade with communist countries (the latter also continued to aggravate relations with allies concerning embargo policy). Secondly, he had to persuade the departments and agencies concerned with embargo policy, namely Defence, State, Agriculture, Commerce and the CIA to allow a more permissive application of existing laws and regulations: many prohibitions were not required by law, but were made at the discretion of the Secretary of Commerce. On 31 July 1953 Eisenhower had approved NSC paper 152/2, which was the first in a series of steps that changed the guidelines for granting export licences from a criterion that amounted to

10. There are no end of books on Kennedy and the Kennedy presidency, but the following three are a fairly representative cross-section: T. C. Sorensen, *Kennedy* (New York: Harper & Row, 1965); David Halberstam, *The best and the brightest* (New York: Random House, 1973); and G. Wills, *The Kennedy imprisonment: a meditation on power* (New York: Pocket Books, 1983).

11. See T. H. White, *The making of the president 1960* (New York: Atheneum, 1961); and Halberstam, *Best and brightest*.

economic warfare to one that only aimed at denying the Soviet Union exports which would make a significant contribution to their war-making potential. In fact the Department of Commerce interpreted this very narrowly and a tight control policy remained in force, but there was scope for a more liberal approach if the political will was forthcoming.<sup>12</sup>

Kennedy decided to move quickly. It was not only his inclination to liberalize the embargo policy that prompted him into action; there were other potent reasons as well. Massive American overseas military and aid expenditure had begun to cause serious economic problems by the end of the 1950s, which were compounded by uncertainties about the new administration. As a result there was a worrying period of pressure on the dollar during 1961. America's balance-of-payments deficit was seen by Kennedy as a threat to the continuation of America's foreign policy, particularly its worldwide defence of Western values: he did not want to follow Britain down the road of recurring economic crises and ever-contracting defence commitments. Kennedy saw the expansion of trade with communist countries as one way of helping to rectify America's imbalance of trade. A second consideration was the opportunity of selling America's huge, costly, and politically embarrassing agricultural surpluses to the Soviet Union. Thirdly, trade between the booming West European economy and the Soviet bloc was expanding rapidly and Kennedy did not want American companies to be disadvantaged, by US export controls, from gaining their fair share of this growing market. And finally Kennedy and others in his administration, particularly McGeorge Bundy, saw increased trade with the Soviet Union as a chance to engage their bargaining skills and gain political as well as economic concessions, which would both benefit the West in its long-term competition with communism and ease tension by increasing the dialogue and economic interaction between the two sides.

On 6 February 1961, just over two weeks after his inauguration, Kennedy tried to get things moving: he sent a note to Secretary of State Dean Rusk suggesting amendments to the Battle Act. Despite serious differences within the administration, amendments were soon agreed and placed before Congress. They were accepted by the Senate, but failed to get through the House. The credibility of Kennedy's much-vaunted claims about how he would lead the West and regain the initiative from the communists was already being challenged by the course of international events, and this weakened his hand and made conservatives in Congress less inclined than ever to amend Cold War legislation like the Battle Act, which had been designed to ensure that a combative stance against communism would be maintained. Kennedy suffered a number of setbacks, or had to accept what many conservatives perceived as unsatisfactory stalemates, in the international struggle with communism during 1961: there was the Bay of Pigs disaster in April, his less than masterful handling of Khrushchev in Vienna in June, the construction of the Berlin Wall in August, and the unhappy situation in Laos, which remained unresolved by the end of the year. These crises and America's performance in them had significant effects in the United States, hardening the administration's, the public's and particularly conservative opinion against communism.<sup>13</sup>

The chances for liberal changes to legislation governing the strategic embargo thus diminished. During Kennedy's first year as president there were only minor or trivial successes in this field. In June 1961 export regulations were amended, allowing more

12. *FRUS*, 1952-4, Vol. I, pp. 1009-15.

13. See Kennedy Library, NSF, box 328, folder NSAM 22, Kennedy to Rusk, 6 Feb. 1961; and Adler-Karlsson, *Western economic warfare*, p. 101.

exports to go to the Soviet bloc provided that they were paid for in convertible currencies: but even this was criticized as a reversal of policy by Congress. A less controversial change concerned the 1930 Tariff Act, which provided authority for imports to be embargoed if their production had involved forced or convict labour. This had been used to embargo tinned crab meat from the Soviet Union, but in 1961 the provision was rescinded. However, unlike the 'ping-pong diplomacy' of 1971 this 'fishy diplomacy' did not herald a new departure in foreign policy between the United States and a communist state.<sup>14</sup>

The worsening of the Cold War and the deterioration of relations with Cuba after the Bay of Pigs led to measures by both Congress and the administration to strengthen embargo policy. For example, in February 1962 Kennedy added to the Eisenhower administration's embargo of exports to Cuba, begun in 1960, by embargoing imports from it as well. The President's hope of liberalizing embargo policy had to give way, temporarily at least, to conservative opposition and more important priorities.

### US embargo policy to 1963

Kennedy's relations with Congress were not good: he had only very limited success in getting any kind of domestic liberal measures through Congress—never mind sensitive foreign policy ones to do with the strategic embargo. Furthermore, 1962 witnessed one of the most important legislative initiatives of the Kennedy administration, namely, the Trade Expansion Act. Its aim was to provide the executive with sufficient scope for bargaining with the European Economic Community in order to remove tariff and other barriers to US exports and at the same time create, or at least produce some movement towards, an Atlantic free trade area, which was regarded as much more important for America's future trade prospects than the expansion of East–West trade. As protectionism was strong in Congress, the administration could not afford to tinker any further with embargo legislation because that might have united conservatives and protectionists and led to the defeat of the proposed Trade Expansion Act.<sup>15</sup>

Kennedy's failure to amend the Battle Act was matched by his failure to create a more liberal attitude in the exercise of executive discretion concerning export licensing decisions. No new clear-cut approach emerged within the administration and a hard line continued because of the existing disposition within the bureaucracy and the conservatism of some of Kennedy's Cabinet; and also because Kennedy clearly thought the time was politically unripe for a shift in policy. Summing things up for President Johnson in April 1964 McGeorge Bundy wrote:

. . . in last three years no one short of the President has had the authority to make clear cut decisions. The Secretary of Commerce has the immediate statutory responsibility, but the instinct of Luther Hodges was often different from that of others, and it became necessary to appeal individual cases over and over again to President Kennedy.<sup>16</sup>

14. See Kennedy Library, NSF, box 305–10, folder: Trade East–West, Rusk—Action Circular State Department, 14 Oct. 1963.

15. See F. Costigliola, 'The failed design, de Gaulle and the struggle for Europe', *Diplomatic History*, 1984, Vol. 8; T. W. Zeiler, 'Free-trade politics and diplomacy: John F. Kennedy and textiles', *Diplomatic History*, 1987, Vol. 11; and Sorensen, *Kennedy*, pp. 410–12.

16. Johnson Library, NSF, NSC Meetings, box 1, folder: Vol. I, tab. 8, 4/16/64, East–West Trade, McGeorge Bundy memo for Johnson, 16 April 1964.

Bundy's overall judgement was that embargo policy had been too tight during the Kennedy years, and indeed trade figures for 1961, 1962 and 1963 indicate that policy was more aggressive and constrictive than under Eisenhower (see Table 1).

Table 1: US trade with Sino-Soviet bloc, 1960-4 (\$m)

Year	Exports	Imports
1960	194	84
1961	133 <sup>a</sup>	85
1962	125 <sup>a</sup>	82
1963	167 <sup>a</sup>	85
1964	340	102

<sup>a</sup> The Kennedy years: they begin with a \$61m drop in exports and the export position does not recover fully until after Johnson becomes president.

Source: Battle Act reports (quoted from Adler-Karlsson, *Western economic warfare*, p. 167).

Secretary of Commerce, Luther Hodges, did not want to grant licences for exports to the Soviet Union except in return for a political *quid pro quo* over and above any commercial returns. Secretary of Agriculture, Orville Freeman, opposed the sale of agricultural machinery to the Soviet Union in case it improved their output and obviated their need to buy food abroad: Freeman wanted to sell them some of America's huge grain surplus. Hodges was a key figure in determining the way embargo policy was implemented and although he was often at odds with the State Department, which favoured free trade and a more liberal East-West trade policy, the State Department under Dean Rusk was unable to make a major impact of its own accord. The State Department's main task during the Kennedy years was to defend foreign policy decided on elsewhere in the administration rather than to develop and implement policy of its own.

Another major influence on embargo policy came from the defence establishment, which agreed with Hodges about the desirability of tightly restricting exports. In fact, the defence establishment was responsible for initiating a policy which caused the acutest controversy within COCOM during Kennedy's term of office: it also provided the main grounds for British claims that the United States was still pursuing an unreasonably restrictive strategic embargo.

### *Britain and the Soviet oil pipeline*

At the end of the 1950s, the wide-diameter pipes used by the oil industry were removed from the COCOM embargo list. This coincided with the Soviet Union developing its oil industry and in particular laying the Council for Mutual Economic Assistance (CMEA) 'friendship pipeline' from Soviet oil fields to the Balkan satellites. Production bottlenecks and uneven technological development, however, meant that the Soviet Union was unable to meet its own requirements for steel piping so it decided to take advantage of the recent change in the COCOM embargo and placed large orders for pipes in the West, particularly with West Germany, Italy and Japan.

Although wide-diameter pipes had been removed from the COCOM lists as a result of pressure from Western Europe, the whole issue of the Soviet oil industry still remained of major concern to the United States.

By 1962–3 the West, excluding the United States, took about 6 per cent of its oil needs from the Eastern bloc. This trade, and the Soviet Union's need for wide-diameter pipes, occasioned various lines of thought in Washington, though for once they all converged—albeit for slightly different reasons—reaching the conclusion that Soviet oil exports and import of steel pipes should both be curbed. The Americans were frightened of the West becoming dependent upon Soviet oil and thus vulnerable to political pressure from it. They feared the threat from Soviet state-subsidized oil production to American oil companies. They observed that the CMEA pipeline could be used to provide the Red Army with oil and fuel in Eastern Europe. The State Department, despite some reservations, fought hard to get a uniform policy accepted by its allies (once the embargo decision had been taken within the US administration) for fear that otherwise friction would arise that could damage the NATO alliance, which was already experiencing differences among its members. American companies resented Western Europe's engaging in a form of trade that they themselves were prohibited from entering by the US government, and last but by no means least, the United States wanted to exploit an obvious weakness in the Soviet economy by embargoing the export of steel pipes.<sup>17</sup>

The Americans took up this matter in the NATO Council. On 21 November 1962 the Council considered an American proposal that the export of wide-diameter steel pipes to the Soviet Union should be embargoed. The Council resolved in favour of the proposal with the exception of the British, who dissociated themselves from it and reserved their freedom of action.

The British thought that the proposed embargo was unjustifiable and resented American attempts to browbeat them, which they regarded as challenges to their economic sovereignty. The issue became largely one of principle for the British because their capacity to export wide-diameter pipes was extremely limited, amounting in fact to the modest production of the South Durham Company. To the Americans this stand on principle was utterly exasperating, especially as Britain's maverick behaviour threatened the embargo agreement that had already been reached among NATO countries with large export capacities. This was no small matter because for Germany it involved taking steps to cancel recently concluded contracts. There was also the problem of non-NATO countries with large export capacity, such as Sweden and Japan, who wanted a COCOM resolution in order to make the embargo effective and ensure that others would not gain at their expense if they agreed not to export steel pipes.

Part of the backcloth to this dispute involved America's agreement at the December 1962 Nassau meeting between the two countries to supply Britain with Polaris missiles: this angered President de Gaulle of France (who resented the Anglo-American 'special relationship') and caused friction within NATO which the Americans wanted to cool down. But their attempts to renew a sense of NATO unity were undermined by Britain's stance on the pipe embargo. The Nassau Agreement also finally prompted de Gaulle to veto Britain's application to join the EEC. However,

17. See Kennedy Library, NSF, box 223–31, folder: NATO Pipe Embargo 11/62–1/63; Adler-Karlsson, *Western economic warfare*, pp. 130–1; and for some idea of both the American and the international, or COCOM lists, Adler-Karlsson, *Western economic warfare*, Ch. 13 and *Board of Trade Journal*, July-Dec. 1961, No. 181, 'Consolidated list of goods subject to embargo for Soviet bloc and China'.

hopes for Britain's successful entry into Europe had been fading for months, and in consequence there were already feelings of desperation about Britain's economic future which provided added reasons for Britain to expand trade with the Soviet Union. On 8 January, when Edward Heath, the Lord Privy Seal with special responsibility for European affairs, was asked about the pipe embargo by the Germans in Bonn he gave them '... completely negative response with respect to willingness UK cooperate in enforcing embargo decision'.<sup>18</sup>

By now American anger was widespread and intense, though there were White House and State Department personnel who pointed to the difficulty of getting Britain to acquiesce to the embargo of an item that was no longer on the COCOM list. Also, David Bruce, US ambassador to Britain, cautioned moderation because he did not think that intense pressure would succeed while the British had their economic backs to the wall. However, Anglo-American relations deteriorated further with talk of a possible barter agreement for exchanging British ships and Soviet oil.<sup>19</sup>

On 12 February 1963, Thomas Finletter, US ambassador to NATO and an important figure in US East-West trade policy, wrote to Dean Rusk bemoaning Britain's recent actions.

Regret have to say this latest in a series of HMG actions which imply UK seeming give priority to its short range commercial interests over basic interests of Atlantic Alliance. Others are large diameter pipe embargo, credits to Sov Bloc, Viscount sales, economic counter measures, Cuban shipping. If Soviet oil deal consummated, UK will have achieved almost perfect score of opposition to us in NATO on all E/W trade issues. I am very disappointed. . . .<sup>20</sup>

There was considerable humbug in the American position for neither wide-diameter pipes nor the type of shipping involved in the proposed Anglo-Soviet barter deal were on the COCOM lists. Nevertheless, on 19 February a small group of important American officials met to review things with the aim of recommending the best course for further action. Among those at the meeting were John McCloy, veteran of the Truman administration, now unofficial adviser to the White House and a man greatly respected by Kennedy; Assistant Secretary of State for European Affairs, William Tyler, and David Bruce. McCloy was worried by the British departure from previous policy involved in the proposed ships-for-oil barter deal, especially as it might encourage other West European countries to be less restrained about exporting to the Soviet bloc. He also agreed with Tyler that the British were wrong to think that 'a fat Russian', that is to say, one whose consumer needs were more adequately met, would be 'a peaceful Russian'. McCloy was in fact more concerned about wide-diameter pipes going to the Soviet Union than ships, but for the time being he concentrated on possible ways of stopping the ships deal from going ahead.

They considered pre-emptive buying of ships from Britain, but as the British shipbuilding industry was so depressed they agreed that it would absorb both Soviet and US orders with ease: they also noted that such pre-emptive buying would arouse

18. Kennedy Library, NSF, box 223-31, folder: NATO Pipe Embargo 11/62-1/63, Bonn Embassy to Rusk, 12 Jan. 1963.

19. Kennedy Library, NSF, box 223-31, folder: NATO Pipe Embargo, 11/62-1/63, Bruce to Rusk, 29 Jan. 1963.

20. Kennedy Library, NSF, box 171-3, folder: UK General 2/12/63-3/5/63, Finletter to Rusk, 12 Feb. 1963.

complaints from American shipbuilders. (Pre-emptive buying of British steel pipes was also considered by the Americans, but when the size of the contemplated Soviet order was revealed they decided it was too big for them to cope with in this way.<sup>21</sup>) By the end of the meeting the group was not sanguine about being able to influence British policy, but they still thought that they should try and that the only chance for success lay with an approach to the British government at the highest possible level.<sup>22</sup>

That approach came two days later in a letter from President Kennedy to Prime Minister Macmillan. He wrote:

We . . . have a feeling of concern about the issues you are facing on purchases of oil from the Russians and sales to them of wide diameter pipe.

We hope that it may be possible to arrange affairs so that Soviet oil penetration is not encouraged. I am asking David Bruce to report the breadth and gravity of the concern which is felt over here on this particular point. On the wide diameter pipe, our concern derives from the danger that if any one of us sells such pipe to the Russians, there may be considerable political damage in other countries where Soviet offers have been rejected.<sup>23</sup>

Kennedy's appeal had little effect, even when it was followed up persistently during March by Under-Secretary of State for Economic Affairs, George Ball. On one occasion, Ball pointed out that Anglo-German relations could suffer if Britain accepted pipe orders from the Soviet Union because this would be seen by the Germans as taking advantage of their 'courageous' decision to cancel orders. This was a particularly sensitive matter as the cancellations had been achieved by dubious constitutional means, which had caused political controversy in West Germany. Nevertheless, the more important factor for the British was that West Germany had exported over 700,000 tons of piping to the Soviet Union before the NATO embargo resolution, whereas Britain had not exported any. On 28 March, Sir Frederick Erroll, President of the Board of Trade, explained to George Ball the British anger at being dubbed 'the bad guys' under these circumstances. He told Ball that in fact the Soviets were not even 'nibbling' at a contract for wide-diameter pipes, but if they did he would review the situation on its merits: he also 'emphasised present mood in country to maintain independence of action and resentment at US pressure'.<sup>24</sup>

That same day Erroll made Britain's position clear in the House of Commons where he stated in a written reply:

I have told the manufacturers that there are no restrictions on the export from the United Kingdom to the Soviet Socialist Republic of steel pipe of any diameter. In the discussion in NATO on this subject, the United Kingdom Representative made it clear that Her Majesty's Government did

21. Kennedy Library, NSF, box 223-31, folder: NATO Pipe Embargo 3/63, Maghee to Ball, 27 March 1963; and Kennedy Library, NSF, box 171-3, folder: UK General, 4/1/63-4/18/63, memo of conversation between Gore and Ball, 11 April 1963.

22. Kennedy Library, NSF, box 171-3, folder: UK General 2/12/63-3/5/63, memo of conversation between McCloy *et al.*, 19 Feb. 1963.

23. Kennedy Library, NSF, box 223-31, folder: NATO Pipe Embargo 2/63, Kennedy to Macmillan, 21 Feb. 1963.

24. Kennedy Library, NSF, box 223-31, folder: NATO Pipe Embargo 3/63, memos of conversation between Ball and David Ormsby Gore, British ambassador to the United States, 12 March and 20 March, and between Ball and Erroll, 28 March 1963.

not support the recommendation and reserved Her Majesty's Government's freedom of action.<sup>25</sup>

A month later one bone of Anglo-American contention disappeared: the *Observer* newspaper reported on 28 April that the British government thought that the Soviet order for British ships was too small to justify departing from Britain's existing policy and so the ships-for-oil barter agreement was now off. However, the argument about steel pipes continued even though British exports of all kinds of steel pipe to the Soviet Union remained negligible. Anglo-American relations experienced friction out of all proportion to the importance of the issue: the Soviet Union increased its self-sufficiency in wide-diameter pipe production; and in 1966 NATO abandoned its embargo resolution.<sup>26</sup>

It seems that not only had Kennedy's liberal intentions gone adrift, but also that his administration's expertise in both problem-solving and pragmatic policy formulation was seriously deficient in this area. The sensibilities of America's most important ally had been trampled on, an inappropriate amount of diplomatic pressure had been used to no avail, and the net effects of American actions were to antagonize Britain and to galvanize the Soviet Union into strengthening its economy by becoming more self-sufficient in steel pipes.

The outward manifestation of US embargo policy during 1962–3 seemed to indicate that the administration was determined to extend its scope and tighten its application. In 1962 Congress had amended the 1949 Export Control Act to include a specific statement that the United States would use trade to further her 'national security and foreign policy objectives' and it looked as if the government was enthusiastically doing so. Appearances can, however, be deceptive. Kennedy was in fact much troubled by developments concerning the strategic embargo. One outward sign that he was not happy with the general trend towards tighter export controls was his decision in October 1963 to sell wheat to the Soviet Union, but even this was only the tip of the iceberg. Kennedy had set in motion a major review of policy early in 1963 with the intention of realizing his initial desire to liberalize the US strategic embargo.

### 1963: the ECRB rethink

By the beginning of 1963 international developments had changed circumstances that were important to Kennedy's thinking about the strategic embargo. First, after suffering a series of international setbacks, Kennedy had handled the Cuban missile crisis of October 1962 successfully, forcing Khrushchev to back down and remove Soviet missiles from Cuba. Kennedy's actions were widely acclaimed at the time and the self-assurance of the administration rose accordingly. Furthermore, the strong line taken by Kennedy did much to dispel conservative criticism of the administration, proved its willingness and ability to stand up to the communists and, ironically, provided it with some political room to manoeuvre in order to liberalize the strategic embargo. Secondly, Kennedy continued to worry about America's balance-of-payments problem. The Dillon Round of GATT negotiations from 1960 to 1962 had failed to lower EEC tariffs significantly. The Americans were particularly worried about the EEC's Common Agricultural Policy because its high tariffs largely excluded

25. *House of Commons debates* (Hansard), Vol. 674, col. 192, written answers, 28 March 1963.

26. See *The Observer*, 28 April 1963; and Adler-Karlsson, *Western economic warfare*, p. 132.

the United States from the main overseas market for its agricultural produce and thus aggravated the problem of its agricultural surpluses. American hopes that Britain might successfully promote a liberal trade policy within the EEC were dashed on 14 January 1963 when de Gaulle vetoed its application to join the Community. It was no coincidence that a week later Kennedy sent a note to Dean Rusk enquiring about the level of Western Europe's agricultural exports to Eastern Europe, excluding the Soviet Union, and asking for an assessment of the increase of US agricultural exports to that same destination if there were no political restraints (i.e. if a more liberal licensing policy were introduced within the existing legal framework).<sup>27</sup>

Rusk's reply on 29 January indicated that US exports could be increased substantially only if commercial credits were extended to the Eastern bloc countries. The problem was twofold: the Eastern bloc had neither goods that Americans wanted to buy nor had they hard currency from elsewhere with which to buy US products, and even if US licensing policy were liberalized the existence of legal restraints, such as those on commercial credits, would still stymie the growth of US exports to the Eastern bloc. The more Kennedy thought about the complexity of both licensing policy and the legal restrictions involved in East–West trade, the more he realized that a major review of the situation was required if he were to be able to assess his options accurately. On 16 May he therefore sent a memorandum to the Export Control Review Board (ECRB), a high-level interdepartmental committee for monitoring East–West trade, asking its members both to review existing policy and to make recommendations for change.<sup>28</sup>

During the next four months various groups within the administration mulled over the problem of East–West trade and fed their ideas into both the ECRB and the White House. There were those who still wanted to stand on the status quo, but as Kennedy had already decided that some change was necessary the main debate took place between two groups, both favouring relaxation of the embargo policy, but disagreeing about how to do it and the extent to which liberalization should be taken.

The more conservative group was in the State Department, led by Walt Rostow, the chairman of the Policy Planning Council. Rostow saw problems with COCOM because it was regarded by the Soviet Union as a creature of the United States and a source of trade discrimination against them. Rostow wanted to maintain allied monitoring of trade with the Eastern bloc, but he thought that they could perhaps find a better way of doing it, which would not cause such friction in East–West relations. On the specific question of liberalization he favoured relaxing trade controls within the existing legal framework, but only if it was preceded by a political *quid pro quo* from the Soviet Union which would ease Cold War tension.

The other group was composed of White House and NSC personnel, who favoured a more positive and accommodating policy. David Klein, senior member for European affairs on the NSC and previously on the State Department Soviet Desk, explained his differences with Rostow to McGeorge Bundy on 14 August.

Improvement [in East–West relations] will only be possible by some give and take on both sides, and it is unrealistic to suggest that the other side must first demonstrate its good intentions before we can consider meeting

27. Kennedy Library, POF, box 88a, folder: State Department 1/63, Kennedy to Rusk, 22 Jan. 1963.

28. Kennedy Library, POF, box 88a, folder: State Department 1/63, Rusk to Kennedy, 29 Jan. 1963; Kennedy Library, NSF, box 305–10, folder: Trade East–West 8/63–9/63, Kennedy to ECRB, 16 May 1963.

them half way. For it is in the give and take process that the intention of the other side can be ascertained.<sup>29</sup>

Klein and McGeorge Bundy favoured active bargaining with the Soviet Union primarily for US, but also for their mutual, benefit. Klein did not think that it was yet time to alter the laws under which the strategic embargo operated—the Democrats had lost seats in the House of Representatives in the 1962 mid-term elections—but he did believe that political decisions should be taken to liberalize the granting of export licences. However, he was careful to enumerate all the difficulties involved in trying to expand trade with the Soviet bloc: first the Soviet Union was denied Most Favoured Nation treatment by the 1951 Trade Extension Act (reaffirmed by the 1962 Trade Expansion Act), which meant that Soviet goods faced unequal competition because of lower tariffs for other countries; secondly, there was strong consumer resistance and sometimes boycotts of Soviet goods in the United States; thirdly, there were difficulties concerning commercial credits; and fourthly, over and above these difficulties:

there are several political factors which must also be taken into account. Assuming that the licensing and payment problems can be dealt with, the fact is if trade with the Bloc should reach substantial proportions before the necessary political groundwork is laid on Capitol Hill—even though legislative requirements are not directly involved—the entire operation could boomerang and complicate rather than help the situation.<sup>30</sup>

The ECRB's report to Kennedy on 9 August was an amalgam of the views championed by Rostow and Klein, although the latter still hoped that there might be more movement towards his position. The report recommended that guidelines should be drawn up for 'a less restrictive, step-by-step expansion in trade . . . within the present legal structure'; that the possibility of an East–West trade bill should be explored; that the State Department should investigate with America's allies the possibility of 'modifying the COCOM system but preserving the substance of mutual security protection'; and, on a more cautionary note, that perhaps a special body ought to be set up to ensure the protection of US interests in a situation of expanding East–West trade.<sup>31</sup>

This then was the basic character and drift of policy development within the administration during the summer and early autumn of 1963. It amounted to rather cautious advice that Kennedy should liberalize export licensing policy within the existing legal framework, whilst constantly bearing in mind the political difficulties that could arise in pursuing such a policy. However, during the review, events were taking place that convinced Kennedy that forthright and courageous political decisions were required for America's embargo policy.

29. See Kennedy Library, NSF, box 305–10, folder: Trade East–West, US Policy on Trade with the European Soviet Bloc 7/8/63, Policy Planning Council Paper, 8 July 1963; and Kennedy Library, NSF, box 305–10, folder: Trade East–West 8/63–9/63, Klein memo for McGeorge Bundy, 14 Aug. 1963.

30. Kennedy Library, NSF, box 305–10, folder: Trade East–West 8/63–9/63, Klein memo for McGeorge Bundy, 14 Aug. 1963.

31. Johnson Library, NSF, NSC Meetings, box 1, folder: Vol. I, Tab. 8, 4/16/64, East–West Trade, report by ECRB to Kennedy, 9 Aug. 1963, in response to his request of 16 May.

### Kennedy's post-review policy

After the Cuban missile crisis Kennedy felt more secure politically and was more willing to challenge conservatives for the sake of promoting the modestly liberal policies that he believed in. Kennedy was also pushed by events into standing up for his liberal ethics. First in Mississippi in September 1962, and then in Alabama in June 1963, Kennedy had had to take strong action to ensure that black Americans could enjoy their legal rights and register at universities of their choice, even if they had previously been all-white institutions. Kennedy's actions lost him much support among conservative southern Democrats so there were now also sound political reasons for pushing policies to attract the support of ethnic minorities and to consolidate his liberal support in order to counterbalance those losses. The renewed determination of Kennedy to promote liberal policies manifested itself most obviously in his introduction of a Civil Rights Bill into Congress in June 1963, but his move to change America's embargo policy should also be seen as part and parcel of the political shift in the administration towards supporting more liberal causes.<sup>32</sup>

The Cuban missile crisis also prompted Kennedy (now backed by a surge in public opinion favouring a reduction in East-West tension), Khrushchev and Macmillan to new efforts to defuse the Cold War. In August 1963 their efforts bore fruit with the signing of the Nuclear Test Ban Treaty. The Americans saw this as a definite improvement in East-West relations and Kennedy wanted to increase the favourable momentum of developments by easing America's export licensing policy.

Other Western countries welcomed the lessening of East-West tension and they were quick to seize the opportunity this provided for increasing their exports to the Soviet Union: in particular, there was a ready market for grain there because of a poor harvest. This was the very commodity that Secretary Freeman and others in the US administration were keen to sell to the Soviet Union, but it was Canada, not the United States, that was the first to sign a contract for the export of substantial quantities of grain. Once again the United States was suffering commercial disadvantages because its embargo policy was stricter than that of its allies.

It was with these developments in mind that Kennedy wrote to the ECRB on 19 September. He told them that he agreed with their recommendation to relax export licensing policy within the existing legal framework but:

. . . in giving this approval I should like to have it understood that I am strongly in favour of pressing forward more energetically than this report and its recommendations imply, in our trade with the Soviet and Eastern Bloc. The course of events of the last two months, including particularly the test ban agreement and the evidence of greater trade by our allies with the Soviet and Eastern bloc persuade me that we must not be left behind.<sup>33</sup>

In particular, Kennedy did not wish to miss the opportunity to export grain to the Soviet bloc. When it became known that such trade was being considered by the administration it was interpreted by many as a more immediate response to developments than it actually was. Kennedy's pragmatism was in fact more broadly

32. For two interesting, though contrasting, accounts of Kennedy's fortunes with Congress concerning liberal issues see R. J. Williams and D. A. Kershaw, 'Kennedy and Congress: the struggle for the new frontier', *Political Studies*, Sept. 1969, Vol. 17, No. 3; and J. Hart, 'Kennedy, Congress and civil rights', *Journal of American Studies*, Vol. 13, No. 2.

33. Johnson Library, NSF, NSC Meetings, box 1, folder: Vol. 1, Tab. 8, 4/16/64, East-West Trade, Kennedy memo for ECRB, 19 Sept. 1963.

based and more carefully considered than some thought. *The Economist* of London made American policy appear politically opportunistic, whereas, although the chance to negotiate a wheat deal with the Soviet Union was grasped by Kennedy, there had already been considerable planning for developments like this, which would have come in some measure in any case even if circumstances had not been so opportune.

As the United States stood this week on the verge of economic hostilities against its old friends and trading partners in the European common market, some businessmen, farmers and members of Congress suddenly began to demand that the shackles on trade with very new friends, the Soviet Union and its satellites, should be re-examined. The news that Canada was to sell \$500 million worth of wheat to Russia . . . unsettled the middle west, where America's own farm surpluses hang heavy . . . The news also stirred the businessmen attending the President's conference on exports last week to suggest that fewer restrictions on Soviet trade might enlarge American exports and shrink its international deficit.<sup>34</sup>

On 9 October Kennedy announced that he was willing to sell wheat to the Soviet Union on normal, commercial terms for dollars or gold. The administration moved carefully to ease the problem of commercial credits: they did not dare to ask Congress to change the law, but as Dean Rusk noted: 'In connection recent wheat decision Attorney General [Robert Kennedy] has clarified interpretation Johnson Act so as not to preclude normal commercial credits'.<sup>35</sup> The granting of long-term credit to communist states remained a problem for many years after Kennedy ceased to be president, but he did begin the process of easing restrictions. Possibly his last act concerning East-West trade was to do with the credit problem: a week before his death he wrote to the Senate majority leader, Mike Mansfield, arguing that the export of non-strategic items benefited the United States especially regarding its balance-of-payments problem. He went on to say: 'I write to urge in the strongest terms that the Senate should not approve any amendment to the Foreign Aid Bill which would prohibit the use of credit guarantees for trade with any Communist country'.<sup>36</sup>

It was not until 1964 that the US-Soviet grain deal was consummated. A major reason for the delay was a stipulation that at least 50 per cent of the grain was to be carried in American ships: this increased the cost of transportation and was a surcharge that the Soviet Union was unwilling to pay. In the end the US government not only subsidized the wheat by paying the difference between the world and the US market price, but also by paying the extra shipping costs.

While the wheat deal was valuable in itself and was a sign of changing attitudes and policies in Washington, other changes set in motion by Kennedy in early 1963 were more important. Kennedy's policy review produced political and bureaucratic changes that facilitated further liberalization of East-West trade under President Johnson. Kennedy appointed Averell Harriman as ambassador at large to oversee US relations with the Soviet bloc. Under-Secretary of State for Economic Affairs, George Ball, was

34. *The Economist*, 28 Sept. 1963, p. 118.

35. Kennedy Library, NSF, box 305-10, folder: Trade East-West 10/63-11/63, Rusk Action Circular State Department, 14 Oct. 1963.

36. Kennedy Library, NSF, box 305-10, folder: Trade East-West 10/63-11/63, Kennedy to Mansfield, 15 Nov. 1963; for the development of American policy on credit for the Soviet bloc see M. Kaser, 'American credits for Soviet development', *British Journal of International Studies* (now *Review of International Studies*), July 1977, Vol. 3; for East-West trade policy in general see S. Woolcock, *Western policies on East-West trade* (London: Routledge & Kegan Paul, 1982).

made responsible for coordinating East–West trade matters with the US Treasury and the Department of Commerce—where Under-Secretary Roosevelt was to take special departmental responsibility for policy. And, finally, US ambassador to the Soviet Union, Llewellyn Thompson, was asked to initiate talks with the Soviet Union about East–West trade.<sup>37</sup>

When Johnson became president there were still many restrictions on US trade with communist states and there continued to be friction and irritable exchanges between the United States and its allies concerning this matter. However, relaxation of controls did take place—despite complications arising because of the Vietnam War—and it is fair to say that the momentum for change in the Congress (albeit slight there), in the bureaucracy and in the executive at the political level began under Kennedy. He succeeded in altering the agenda of the US strategic embargo policy. He pushed through liberal reform, broke the old bureaucratic mould and set policy-making within a new framework. Exports to the Soviet bloc did not increase dramatically, but they did increase. More important than that was the widespread realization in Washington in 1963 that the US embargo policy was harming the United States more than the Soviet Union. From then until the late 1970s, emphasis within the executive shifted away from having to justify taking items off the embargo list to justifying keeping items on it.

### **Kennedy: an evaluation**

Finally, although the main purpose of this article has been to explain Kennedy's embargo policy, it is also relevant to point out that this story provides at least a partial foil to some of the revisionist claims about Kennedy. He has been attacked for the superficiality of his liberalism, for his administration's over-confident belief in its ability to solve problems, for his failure to achieve his publicly stated goals, for the arrogance of his administration and for the opportunism of his pragmatism.

We can see all these failings in some measure reflected in the account of Kennedy's embargo policy. After his congressional defeat over the Battle Act his liberalism was not forceful enough to change the way export licensing decisions were made. His administration was unable to solve the problem posed by the pipe embargo and displayed its arrogance in the way that it tried to coerce Britain to its way of thinking. Finally, there was some hypocrisy in the opportunism involved in Kennedy's decision to sell grain to the Soviet Union. The sale eased both America's balance-of-payments problem and political unrest in the farming mid-west, but it also helped to solve an intractable problem for the Soviet Union, obviated its need to shift scarce resources from industry to agriculture, and contrasted sharply with American views expressed in the controversy with Britain about Britain's possible export of ships and pipes to the Soviet Union.

However, viewed from a broader perspective, we can see a more positive side to things. Kennedy was a realist and acknowledged the political limits within which he had to operate. There may be some truth in the claim that his liberalism was not robust enough and that he should have challenged the limits imposed by conservatives more vigorously, but one should also acknowledge his tenacity in wanting to liberalize the strategic embargo. During the steel pipe controversy, when the United States took a

37. Kennedy Library, NSF, box 305–10, folder: Trade East–West 10/63–11/63, McGeorge Bundy memo for ECRB, 21 Oct. 1963.

very hard line, one gets the impression that Kennedy was caught up in affairs rather than yet being fully in charge of them, and his decision to review policy in early 1963 provides evidence of this and of his unease about the way things were going.

As soon as East–West tension began to ease, and as soon as Kennedy had gained sufficient standing to cope with the conservatives at home, he started to change embargo policy. He had various motives at the pragmatic level—the chance to improve East–West relations, the opportunity to reduce America’s trade deficit, and his determination not to handicap American exporters by continuing with strict controls when America’s allies were relaxing theirs and increasing their trade with the Eastern bloc—but there were also important liberal convictions involved as well which underpinned the pragmatism. For example, Kennedy consistently shied away from protectionism as a solution to America’s balance-of-payments deficit, favouring freer trade and competition instead—even with the Soviet Union.

Kennedy felt that such tight controls as existed when he entered the White House were inappropriate and illiberal and so he determined to change them. After failing at first he bided his time until early 1963. In more propitious circumstances he began to move again—this time prudently and cautiously—to change embargo policy. His approach was realistic and provides evidence to show that he had matured politically during his period as president. The arrogance and over-confidence of the administration was giving way to more measured consideration and more modest rhetoric, which ultimately led to more success for the moderately liberal policies that Kennedy had always favoured.